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SUMMARY

Introduction

Recognizing that development cannot rely only on charities but also that businesses need to become socially minded, social entrepreneurship represents one promising economic arrangement that could be a sustainable way to stimulate development. In particular, social entrepreneurs who play the role of change agents in resource-constrained settings represent one micro-level solution in overcoming poverty. In addition, academics and development practitioners have given increasing value to the social fabric with the concept of social capital. The World Bank has even described social capital as the 'missing link' in development. Indeed, social capital is associated with a plethora of benefits: improved well-being and health (even lower mortality rates), enhanced access to human capital and economic capital (it even reduces the likelihood of living in poverty). Social capital has also been shown to stimulate social entrepreneurship, in particular in development contexts. Moreover, social capital describes mutually beneficial relations and actions, and social entrepreneurship is about win-win dynamics, as it combines social contributions with economic benefits: hence social capital might be the best concept to reveal how social entrepreneurs function.

Bangladesh is a particularly resource-constrained country. With 47 million people still living in poverty (nearly a third of its population), poverty remains a priority problem. And, as it is often the case, the burden of poverty is not shared evenly between women and men: the situation of women in Bangladesh is particularly difficult. Given that when gender discrimination intersects with economic deprivation, women are not only poorer than men but also have fewer opportunities to overcome poverty, and creating paths for women's development is constrained by the social fabric. Indeed, Bangladeshi society is patriarchal, based on male domination, patrilineality (inheritance passing from father to son), and patrilocality, which means that on marriage women move to their husband's village, which severs them from their own social network. In

addition, with a predominantly Muslim population, religion can act as a barrier for women, in particular through the norm of the *pardah*, or female seclusion. These social structures both worsen women's poverty, and also constrain their capacities for development.

This thesis seeks to acquire insights into the relationship between social capital, social entrepreneurship and development among poor women in rural Bangladesh. This led to the following main research question:

How can social capital be strengthened to stimulate social entrepreneurship to alleviate poverty of poor women in rural Bangladesh?

Conceptual framework and study questions

Social entrepreneurs use social *bricolage* (unrestricted strategies, refusal to be constrained, improvisation, creation of social value, stakeholder participation, persuasion) to obtain access to resources. Research has identified that tapping resources, such as social or human capital, helps to strengthen social entrepreneurship. However, if social capital is associated with productive benefits it may also have perverse effects: it can exclude the poorest, foster closed groups that are harmful to others or constrain individuals' growth because of community pressure. This is particularly detrimental for women, whose social capital (or their husband's social capital) can have negative externalities (for example, young girls in India are prevented from attending school). Moreover, how social capital can be strengthened and leveraged through development interventions remains underdeveloped. The alleviation of poverty can be stimulated through social capital according to three subtypes (bonding, bridging and linking). At the micro level bonding refers to family ties, bridging to neighbouring ties with peers, and linking to vertical ties with power-holders. Moreover, it is possible to invest in two components (structural and cognitive) for strengthening social capital. Focusing on the micro level we therefore sought to understand how social capital stimulated social entrepreneurship to contribute to development initiatives aimed at alleviating poverty. This led to the following research questions:

1. How does social capital play a role in poverty-alleviation projects?

2. How can social capital be strengthened to contribute to poverty alleviation?

3. How can the strengthening of social capital result in stimulating social entrepreneurship?

Methodology

This thesis analyses how one long-term action–research project developed a road- map for alleviating women’s poverty in Bangladesh through building on the social fabric to stimulate social entrepreneurship. In this research project, we applied the Interactive Learning and Action approach (ILA). The first three phases of this approach are referred to as reconnaissance, after which a spiral of activities recurs continuously (phases 4 and 5). This is similar to the action–research spiral: every cycle consists of revised planning, action, observation and reflection after which a new cycle starts. Action–research was applied to investigate how development could be triggered in the specific context of Bangladesh. This action–research project was undertaken with a local NGO called PRIDE. This thesis focuses on the Route to Sustainable Development (RSD) project, which later became the Social Entrepreneurial Leadership (SEL) project, the aim of which is to alleviate poverty. The project trains poor women in starting up and managing Income-Generating Activities (IGAs) as a means to enhance their own livelihoods, while also facilitating the development of other poor women in their village. The action–research project enabled us to develop, implement and evaluate an approach to stimulate the emergence of social entrepreneurship among local people living in poverty. The reconnaissance phase began in 2004 and the first learning cycle started from 2006. All activities were continuously monitored and evaluated. This thesis focuses on the ILA learning cycles applied in the RSD/SEL project. We present data from 2006 to 2012. In the various learning cycles we can identify three phases: (1) experimentation, (2) implementation and (3) scaling-up.

Since the action–research project spanned over six years it comprises a rich data set that enables detailed reflections. A mixed-methods approach was used to collect data, including in-depth interviews, focus group discussions (FGDs), visual ethnography (photo-voice methodology), questionnaires and participant observation. The research team comprised researchers, NGO staff,

entrepreneurs and beneficiaries who participated in the project, and a range of community members. Research methods also included a literature review.

Results

The results are presented in three parts, which correspond to the three research questions. **Part 2** corresponds to the first research question and analyses how social capital contributes to development initiatives to alleviate poverty. **Chapter 2** analyses theoretical perspectives and empirical studies of social capital. The review showed that social capital can contribute to the alleviation of poverty at the micro level in various development initiatives such as micro-credit, agricultural production and marketing, environmental protection and knowledge networking. The review shows that social capital outcomes are dependent on cultural practices, gender and power relations. Moreover, it demonstrates that development initiatives can effectively stimulate social capital to contribute to poverty alleviation at the micro level and identifies four mechanisms for this to occur: structural opportunity to meet, 'know-how' of social interaction, sense of belonging and an ethos of mutuality, thus showing opportunities for development projects to create strategies for the production of social capital. It highlights, however, that little is known about the mechanisms through which social capital can be strengthened in practice. In order to devise development strategies that are based on creating social capital, the chapter illustrates that there needs to be a deeper understanding of mechanisms that strengthen social capital.

Chapter 3 explores how the action–research methodology applied in this thesis made it possible to articulate development paths for poor women in rural Bangladesh. The ILA methodology facilitated a process in which stakeholders were able to articulate a development approach that was embedded in the local context. Women's lack of access to social networks was a barrier to accessing resources, such as material resources, knowledge and information, and hence constrained women's ability to achieve a sustainable livelihood. Moreover, being embedded in *purdah* also limits women's capacities to engage in income-generating activities (IGAs). Social capital appeared, however, to play paradoxical roles for women: both constraining their development but also being a source of support, for example by providing them with access to knowledge. The crucial role attributed to social capital in efforts to reach a sustainable livelihood was supported by the interviews with participants and other poor women. Indeed, it is women's challenges and goals along the

learning cycles that made it possible to develop an approach to leveraging social capital which they used for their own empowerment and for engaging in social entrepreneurship.

Given the evidence that social capital contributes to poverty alleviation, **part 3** focuses on how an NGO can apply strategies to strengthen social capital to stimulate development. The literature confirms that social capital plays an important role in the creation and exchange of knowledge. **Chapter 4** explores how structural, cognitive and relational social capital contributed to knowledge co-creation of social entrepreneurship. Social capital enables the combination and exchange of intellectual capital, which stimulates the creation of new intellectual capital (new know-how and knowing capabilities) but also novel structural opportunities to meet – all of which represent mechanisms for creating and thus strengthening social capital. As our study points out, human capital appears to be key in mediating the relation between social capital and social entrepreneurship.

Chapter 5 analyses the mechanisms through which NGO strategies strengthened poor women's social capital. This study shows that bonding, bridging and linking poor women's social capital was strengthened by the project. A novel framework analysing mechanisms of creating social capital showed that the NGO and the women used different strategies for achieving this: some acting at the level of cognitive social capital (norms and ethics, self-worth and capacity to act) and some at the level of structural social capital (at the level of opportunities as well as of social skills and knowledge). First, PRIDE worked within norms, selecting women who already had more freedom of movement because of their age or lack of immediate family relationships through widowhood, navigating obstacles and negotiating with resistances to change, and reinforcing the value of altruism, already valued in local society, thereby fostering 'ethical capital'. Second, corresponding to the material level of structural opportunities, our study shows how PRIDE provided opportunities for women to meet other women. The programme gave women the opportunity to make social exchanges, including gift exchanges, barter and financial exchanges. Such opportunities for women to meet and exchange is a precondition for strengthening social capital and improving the livelihoods of women living in *purdah* (such as the women of our study). Third, developing the know-how but also the know-who of social interaction were found to be important mechanisms for strengthening social capital, building on the identification of pre-existing social and networking skills. Fourth, improved feelings of self-worth

and increasing the recognition capital led to women themselves becoming change agents, able to develop themselves and their communities. This in turn became a virtuous cycle in which these new capacities are increasingly valued from the norm of altruism, taking us back to the first category in the framework.

A considerable body of research shows that social entrepreneurship and social capital are tied to each other: in particular, both are concerned with win-win dynamics of development. Empirical evidence on the causal relationship between these concepts is lacking, however. Part 4 focuses on how strengthening social capital results in stimulating social entrepreneurship.

Chapter 6 describes the development of the social entrepreneurial leadership (SEL) approach and evaluates its effectiveness as a strategy to stimulate social entrepreneurship for poverty alleviation. Social entrepreneurs developed strategies to 'make do with what is at hand' according to the *bricolage* principle of entrepreneurs. Our study shows that six forms of capital of the entrepreneurs are strengthened through the approach: human, personal, economic, natural, physical and social.

Chapter 7 studies how a third party stimulated the social capital of social entrepreneurs. It uses longitudinal data, gathered over two years, to examine how women entrepreneurs develop and use entrepreneurial networks in rural Bangladesh. Our study found that a third party, an NGO, is able to strengthen the social capital of social entrepreneurs. The NGO stimulates strengthening of entrepreneurial networks across four dimensions: modifying and building on existing bonding networks; transferring linking ties; teaching how to build bridging networks; and the creation of a network of entrepreneurial peers. The entrepreneurs' success in network development adds to the literature. Relying on available resources to facilitate sustainable solutions, the entrepreneurs developed activities based on their existing resources, including the social fabric. At first, strong bonding ties can discourage entrepreneurial activities while weaker bridging ties can stimulate them and provide them with human capital to develop their social capital and activities. Once the entrepreneurs' credibility is established, they are able to extend their bridging networks through support from bonding networks. Strong bridging ties enable access to many resources, from food to ideas. We showed that poor women primarily had access to bonding and bridging social capital and, to a lesser extent, to linking social capital. This provides a method for working with a community and making use of all actors the local poor (in our case women) have to 'deal with', and the

prevailing norms, thus engaging with the daily realities of the poor rural Bangladeshi women and building on local assets and on their strengths.

Discussion and conclusions

By shedding light on women who developed social entrepreneurship know-how and knowledge, which they applied to strengthen their social capital, our work illustrates that there is a two-way relationship between social capital and social entrepreneurship.

Our project shows how a development intervention is able to strengthen social capital to stimulate social entrepreneurship. We show that strengthening social capital stimulates one type of economic behaviour – namely reciprocal exchanges – that stimulate one type of development trajectory – social entrepreneurship. We have shown that social capital can be stimulated by facilitating exchanges, described as gifts, which consist of some sort of paying-it forward mechanism: women invest in their social fabric for their development. What the project participants showed us is that the social matters. Our work might be read as one which, by using concepts of social capital and social entrepreneurship, highlights the experience of women who embarked on development paths that seemed to build on both greater autonomy and greater embeddedness within the social fabric. Indeed, people seek balance economic and social motives: this is the social entrepreneurship approach that the local poor decided to engage in through this research-action project.

Moreover, in order to facilitate women's development, the social entrepreneurship programme navigated within the constraining elements of social capital and developed strategies for strengthening social capital by addressing its negative aspects: social entrepreneurs 'making do' with the traditional norms and women's social fabric. Since women's poverty is embedded in the constraints of the social fabric, this thesis analysed a development approach particularly suited to such a poverty context: an approach that demonstrated that it was capable of stimulating the social fabric by strengthening some women's productive social capital.

Rather than merely focusing on service delivery, the approach studied in this thesis showed the potential to strengthen civil society and social capital, proposing paths to navigate within norms and customs. Our research has shown

that women's empowerment and reduced gender inequality go hand in hand with the gradual evolution of norms. It also shows that the social entrepreneurial approach can reproduce itself: most entrepreneurs train their neighbours, some of whom themselves become entrepreneurs and train other women. Mirroring the original 'trickle down' of innovations, we envision 'trickle-across' effects that disseminate innovations through a fertile social fabric in which social entrepreneurs play a central role as change agents.

This doctoral dissertation conceptualized how productive social capital can be generated. We showed how processes to stimulate social capital can work at the level of norms and ethics, opportunities, self-worth and capacity to act, and social skills and knowledge, and can strengthen components of social capital investment, namely structural and cognitive social capital. These are then able to strengthen social capital functional subtypes: bonding, bridging, and (to a lesser extent in our study) linking social capital. This modifies 'what is' social capital's effect to 'what does' social capital. Some negative outcomes are diminished – social exclusion and gender subordination – while some productive outcomes are triggered, such as women's empowerment and knowledge co-creation. Such outcomes can then stimulate social entrepreneurial leadership, which in turn might strengthen the development of social capital.

Although there is a need for more research on evaluating the depth of the impact of such approach, replicating such projects in different contexts or investigating future roles NGO will be able to play, the approach taken by the programme described in this thesis represents an opportunity to promote development through building on strengths: the NGO PRIDE, refusing to be constrained by local norms and customs and seeing strengths in the poor people it is seeking to help, opened new pathways for poor women, and inspired them.